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Per Rose, David Low's secretary,

A/NIO/Econ and

D/ALA will be attending
the attached meeting; Rose informed NSC of the
attendees.

Kathy

cc: ER ES Meeting File Declassified in Part - Sanitized Copy Approved for Release 2013/06/12 : CIA-RDP90B01013R000400120010-0

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Remarks

To 19: Please provide names of attendees to

NSC as well as to ES for info-

Date

7. H. RIXSE
Executive Secretary
7 February 1985
Date

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SYSTEM II 90122

February 6, 1985

MEMORANDUM FOR:

MR. DONALD P. GREGG Assistant to the Vice President for National Security Affairs

MR. NICHOLAS PLATT Executive Secretary Department of State

MR. CHRISTOPHER HICKS
Executive Secretary
Department of the Treasury

COLONEL R. J. AFFOURTIT Executive Secretary Department of Defense

MR. RAYMOND LETT
Executive Assistant to the
Secretary
Department of Agriculture

MS. HELEN ROBBINS
Executive Assistant
to the Secretary
Department of Commerce

MR. WILLIAM VITALE Executive Secretary Department of Energy

DR. ALTON KEEL
Associate Director for
National Security &
International Affairs
Office of Management & Budget

MR. JOHN H. RIXSE Executive Secretary Central Intelligence Agency

MR. MALCOLM H. BUTLER
Executive Secretary
Agency for International
Development

SUBJECT: Meeting re NSSD 2-85 (S)

The National Security Council will convene the third meeting to discuss the implementation of NSSD 2-85 on Economic Development for Central America at 3:00 p.m. on Friday, February 15 in Room 208, Old Executive Office Building. (S)

Please provide the names of your participants to Mary Wengrzynek, 395-3440. (U)

Attached, please find a summary of the presentations given in the second meeting and a schedule of work to be completed prior to the third meeting. (U)

Thank you.

Robert Kimmitt Executive Secretary

Attachment
Tab A Summary of 1/31/85 Meeting

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Summary of the Second Meeting on NSSD 2-85 Economic Development for Central America Room 208, Old Executive Office Building January 31, 1985

The purpose of the second meeting was to review the first phase of the project and consider the plans for coordinating the second phase. Presentations consisted of: a review of the Kissinger Commission report; an assessment of the likely economic environment of the region over the next fifteen years; a review of present resource flows to the region, including U.S. priorities; and a summary of the proposed work program for the second phase. The effort in the second phase will concentrate on establishing an analytical framework for better decision-making about assistance priorities within the complex environment of economic, political, and security concerns for individual Central American nations. (S)

The group endorsed the idea that the Kissinger Commission report, the Jackson Plan, and Secretary Shultz's December 6, 1984 speech "Democracy and Economic Growth" will form the policy pillars for the study. (S)

CIA presented its preliminary analysis concerning the region's likely economic prospects through the end of the century. Present indications are that a modest economic recovery is underway, but immense challenges remain if substantial progress is to be realized. (S)

The Treasury Department, in reviewing present resource flows to the region, concluded that the major benefactors remain the U.S. government and multi-lateral institutions. (S)

AID reviewed the framework of present U.S. priorities which emphasize economic stabilization, economic transformation, broadening the economic base, and strengthening democratic institutions. They concluded that, although the first Congressional funding of the Kissinger Commission program only occurred in August 1984, some progress is now evident from prior build-up of U.S. assistance. (S)

The State Department outlined a proposed approach to implement sections III B and C of NSSD 2-85, which will be composed of four elements -- U.S. interests, bilateral economic conditionality, sector priorities, and regional initiatives. It was underscored that this study effort was to derive general principles to improve our ability to make better short- and long-term decisions on resource allocations, although in some cases, country-specific examples may be necessary. The State Department agreed to circulate a draft of this section by February 12. (S)

Because time would not permit a thorough discussion of each presentation, the participants were asked to provide comments on the written texts directly to the responsible author. (U)

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The third meeting, scheduled for February 15, will focus on the analytical framework for future funding and programming. In addition, AID will outline its approach for determining a better monitoring system for assessing progress in realizing our Central American economic objectives. Time permitting, any outstanding issues arising from the second meeting can be discussed. (S)

The group agreed to aim for finishing the final products, a 25-page written report and a 15 to 20 minute visual presentation, by the end of February. (U)

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